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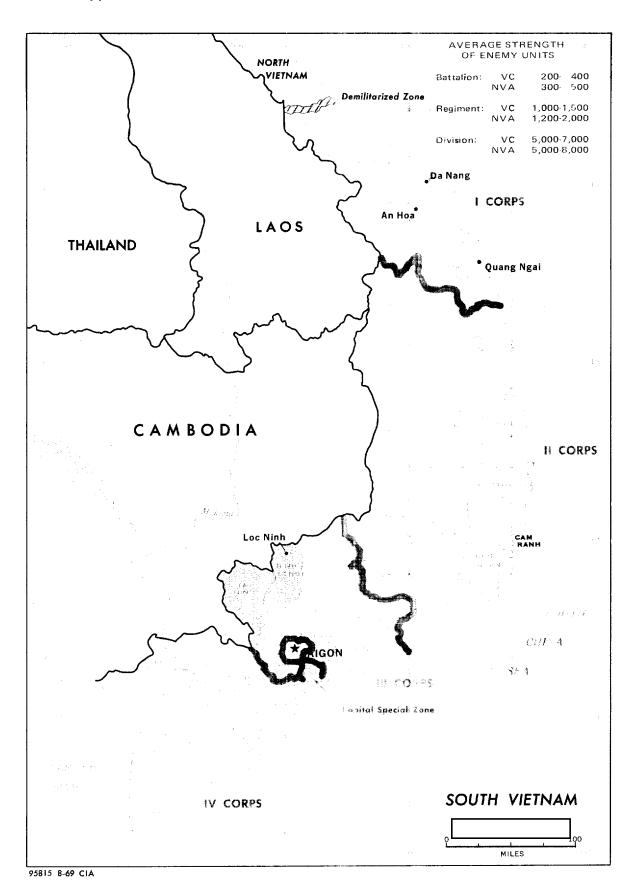
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Vietnam: Heavy ground fighting flared up again on 13-14 August in northwestern III Corps and near Da Nang.

Five battalion-sized engagements were reported in Binh Long Province, the largest within three miles of the district capital of Loc Ninh. The fighting in this area centers around US bases. In neighboring Tay Ninh Province, another battalion-sized Viet Cong unit attacked an ARVN base camp five miles southwest of the provincial capital.

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Hanoi is finally pushing ahead with socialization of agriculture after more than a year of indecision and debate. New regulations on collectivization were issued with considerable fanfare on 8 August. They appear designed to remedy the abuses of the cooperative system which developed during the war and which have been under attack by some party officials for the past year. Basically, the problem involves private use of collective property, a practice which apparently ran rampant during the years of the bombing.

The new regulation carves out no new approach to collectivization. It reinstitutes existing statutes and strengthens the authority of the cooperative

in dealing with recalcitrant members. Small portions of land are still available for private use, but the regime has made it clear that it will no longer tolerate the use of private plots for personal profitering.

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The Communists have been actively softening up the population of Quang Ngai Province for several months in preparation for the current stepped-up tempo of fighting in this area. During the past several months the enemy has heightened its effort to win over additional converts among a population in which many have long supported the Viet Cong.

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Czechoslovakia: The Husak leadership has introduced elaborate security precautions to discourage demonstrations marking the first anniversary of the Soviet invasion of 20-21 August 1968.

Authorities have ordered the regular police reinforced and have activated the people's militia--the security arm of the Communist Party. Security officials are arresting known criminals and dissidents likely to generate trouble.

The greatest source of potential unrest may come from the more extreme of the country's disaffected youth, some of whom are said to have recently stolen a small quantity of arms. Hardliners in the regime might attempt to fan any disturbances, hoping to bring the intervention of Soviet forces and the downfall of Husak.

Regime spokesmen and mass organizations have begun making daily appeals to the people to refrain from even quiet, nonviolent demonstrations. The regime probably is benefitting from unconfirmed rumors that Warsaw Pact exercises in and around major Czechoslovak cities have been set during the anniversary period for the primary purpose of population control.

Reports in the Western press

that Soviet troops are moving toward Czechoslovakia have not been substantiated

have not detected unusual military activity
of the Czechoslovak borders during the past week.
The Soviet forces stationed in Czechoslovakia and in the neighboring Warsaw Pact countries could cope with any internal security problem should the Czechoslovak regime not be able to do so. These forces probably are in a high state of readiness.

Despite the preventive measures, the tense political situation makes it likely that some demonstrations—if only scattered and peaceful—will occur. The possibility of some violence cannot be excluded, particularly in those areas where tensions are high.

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Communist China: Peking's current campaign to increase grain collection and its persistence in sending large numbers of city residents to the countryside are producing widespread popular disaffection.

Recently, Peking radio criticized commune members for their "lack of enthusiasm" in storing grain and for flouting "planned consumption" guidelines. Enforcement of these guidelines broke down during the Cultural Revolution. Protests and work slowdowns have increased in several provinces during the past month in response to state efforts to increase grain collection. Attempts to justify these demands as necessary "war preparations" apparently are having little effect on popular attitudes.

gram which affects millions of people is continuing to meet resistance, particularly from youths. Recent graduates in Canton, for example, have refused to accept rural assignments and local authorities there have been waging an intensive propaganda drive aimed at "persuading" them to leave. In the capital of Kwangsi Province recalcitrant "assignees" are being threatened with arrest and detention in labor reform camps.

The program is also causing bitterness among the peasants who are forced to house and feed up-rooted outsiders.

assignees are not well received by the peasants, are regarded as a "parasitic drain" on food stocks, and tend to be useless in agricultural tasks. In some areas local farmers are insisting that no more persons be sent to their communes.

The strains in both town and countryside are forcing Peking to pay increasing attention to the problems of psychological adjustment urban residents face in rural China. Several recent provincial broadcasts, for example, have described how "comfort

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teams" are visiting various communes to aid assignees in their readjustment. According to Western diplomats in Peking, rural cadres are also being instructed to make better reception arrangements for newcomers, and peasants are being urged to take a "positive attitude" toward re-educating urban youths assigned to their care.

Peking has dealt cautiously in recent months with many of the rural reforms and radical social experiments it introduced late last year. Nevertheless, it does not appear ready to abandon either its demands on peasants for increased grain or its forced urban transfers. Meanwhile, the campaigns confront already harassed provincial authorities with serious administrative problems and add to the burden of maintaining public order.

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India: The presidential election tomorrow has become another test of strength between Prime Minister Indira Gandhi and the conservative Congress Party bosses.

Lower house speaker Sanjiva Reddy, the official Congress candidate, was nominated with the support of party bosses over Mrs. Gandhi's strong objections. The prime minister at first gave pro forma support to Reddy, but yesterday she endorsed efforts by her close followers to have party members break discipline and vote for former Vice President V. V. Giri. Giri is running as an independent, but was one of Mrs. Gandhi's choices to be the Congress candidate.

Mrs. Gandhi probably believes that she would be much more vulnerable to efforts by her opponents to remove her should Reddy become president. Although the presidency has been a largely ceremonial post, it has powers which are important if single party government fails, including the prerogative to call a party leader to form a government. On the other hand, a defeat for Reddy would be a serious blow to the party bosses. They are already reeling from Mrs. Gandhi's recent dismissal of Morarji Desai as finance minister and her decision to institute bank nationalization.

The clash over the presidency increases the possibility that the Congress Party could split. Some senior party members are trying to cool emotions, but they have not yet made any headway. Party leaders in the past have always fallen short of taking meassures which could end Congress rule, however, and conciliators may make progress as both sides face up to the implications of a splintered Congress.

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USSR-Nigeria: Moscow is showing signs of impatience with the federal government's lack of progress in the civil war.

Moscow stepped in to help Lagos in 1967, probably believing that the war would be brief and provide cheap, low-risk gains. The action has earned the Soviets a sizable presence, but they have very little influence with important members of the Lagos government. Soviet attempts to meddle in Nigerian affairs have drawn instant rebuffs. Relations were temporarily strained recently by a clumsy Soviet effort to protest the arrest of a prominent Nigerian Communist.

The Soviets are obviously having second thoughts about their policy of showing complete support for the Lagos government. They are probably hesitant to risk the gains they have made in Nigeria by drawing back on military aid, but seem to have decided to sharpen their criticism of some government policies.

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USSR: The Soviets are about to organize an international center to integrate East European science and technology more closely with their own.

According to a Hungarian announcement, eight countries—Bulgaria, Czechoslovakia, Poland, Hungary, Mongolia, East Germany, Romania, and the USSR—have agreed to organize the center, which will have its headquarters in Moscow. The objectives are to facilitate the exchange of information, improve the efficiency of scientific research, and contribute to the training of scientific and technical information specialists. The first meeting will be held late this month, at which time rules will be established and a decision made on when to begin operations.

USSR: Soviet railroads this year have failed to fulfill their six-month plan for the transport of goods for the first time in at least five years, and by mid-year had transported less freight than during the first six months of 1968.

A recent <u>Pravda</u> editorial claimed that railroad schedules had been interrupted "as a result of a severe winter and the spring flooding of rivers in several regions." Yesterday, <u>Pravda</u> reported that flooding near Chita on the <u>Trans-Sibe-</u> rian Railroad left 25 passenger trains stranded.

The state planning chairman, reporting on the six-month plan results to the Council of Ministers, blamed the railroads for inadequate preparation for the hard winter. He emphasized the importance of further developing the rail network and making better use of freight cars, which are chronically in tight supply in the Soviet Union.

Several factors in addition to the bad winter probably have aggravated the railroad problem. For example, Moscow, in a decree issued in June detailing special measures to cut harvest losses this summer and fall, specifically ordered the railroads to give priority to shipments of agricultural equipment and produce.

There also is evidence that the Sino-Soviet
border dispute has disrupted passenger and freight
traffic along the Trans-Siberian Railroad. Foreign
tourist travel by rail between Khabarovsk and Ir-
kutsk was prohibited for much of June, presumably
to mask military movements along this line.

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Central America: The five-nation Common Market, already disrupted by the conflict between El Salvador and Honduras, is threatened with further disintegration as a result of problems with Costa Rica.

Costa Rica has announced that certain imports from its Common Market partners will be subjected to a "deposit" equal to the tariff levied on equivalent items imported from outside the market. This violates agreements providing for free intraregional trade. In reprisal both El Salvador and Honduras have imposed similar requirements on a wide range of Costa Rican exports, effectively closing their borders to these products.

Costa Rican officials claim their action is necessary because other member countries are applying their sales taxes and import duties in such a way as to discriminate against Costa Rican products. The new deposit requirement, however, does more to accentuate Central American disunity than to solve Costa Rica's problems.

Costa Rica: The Communist Party has lost the final round in its long battle to register a front group to participate in the general election next February.

Denied legality on a technicality last month, the Bloc of Workers, Peasants and Intellectuals (Bloque) reapplied for registration and was granted it in late July. On 12 August, however, the supreme electoral tribunal upheld an appeal by a small anti-Communist group and once more denied legitimacy to Bloque on technical grounds.

Troque on committee grounds.

The Communist Party's failure to achieve legality despite a well-financed and professional campaign
could make the old-guard leadership more vulnerable
to internal pressure for a more spirited revolutionary stance. If, however, the Communists manage to
gain representation in the national legislature--on
whatever ticket--the position of the incumbent leaders in the party will be strengthened.

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